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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

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Salt Lake City, Utah 84180-1203

801-538-5340

July 8, 1992

Mr. Michael D. Terry
Sundance Mining Company, Incorporated
P. O. Box 750031
Torrey, Utah 84775-0031

Dear Mr. Terry:

Re: Notice of Intention to Commence Small Mining Operations, Snake Valley Lode Project, S/041/018, Sevier County, Utah

On June 25, 1992, this Division received your Notice of Intention to Commence Small Mining Activities. The proposed small mining project is located on State lands in the SW/4 of the SE/4, T24S, R1W, SLBM, Sevier County, Utah. State Lands and Forestry's designated mineral lease number for this project is ML 45665.

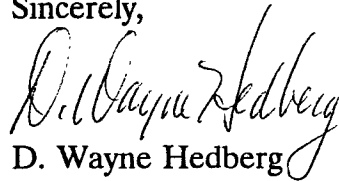
This letter is to inform you that the Division has evaluated the above mentioned Notice of Intent for completeness. The Notice does meet the requirements of Rule R647-3 of the 1988 Division of Oil, Gas and Mining Minerals Rules, and Title 40-8 et seq of the Utah Mined Land Reclamation Act of 1975. However, it is our understanding that your mineral lease application filed with the Division of State Lands and Forestry, has not been completed. Operations may not commence until their approval/clearance has been secured.

The application also indicated all mined ore will be removed and processed at a millsite in Loa, Utah. Millsites also fall under the regulatory jurisdiction of this Division. I have enclosed another MR-SMO application form which will probably be applicable to your mill site unless it exceeds 5 acres in surface disturbance. Please complete the form and return it to our office for processing.

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Thank you for your cooperation. Please reference our designated file number S/041/018 when replying.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure
cc: Jerry Mansfield, State Lands
David Wham, DWQ
Minerals File
S041018